

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION**

In re:) Chapter 11
IMPERIAL AUTO PROTECTION, LLC,) (Jointly Administered)
ROYAL AUTO PROTECTION, LLC) Case No. 14-43062-659 #94
) Adv. Case No. 14-04075-659 #9
)
Debtors.) Case No. 14-43063-659
) Adv. Case No. 14-04076-659 #13
)
) Judge Kathy A. Surratt-States
)

ORDER APPROVING COMPROMISE AND SETTLEMENT AGREEMENT

The Motion to Approve Compromise and Settlement Agreement entered into between Debtors Imperial Auto Protection, LLC (“IAP”) and Royal Auto Protection, LLC (“RAP”) (collectively the “Debtors”), Gateway Auto Protection, LLC (“GAP”), Richard Hagan (“Hagan”), Sherry Lynn Nelson (“Sherry Nelson”), Christopher Senn (“Senn”) and Michael Thomas Nelson (“Michael Nelson”) filed in the above-entitled and numbered causes came on to be considered by this Court. Now after having considered such Motion and all relevant facts of record, the Court finds as follows:

1. This Court has jurisdiction to hear this matter pursuant to 28 U.S.C. §§ 151, 157 and 1334 and Local Rule 81-9.01(B) of the United States District Court for the Eastern District of Missouri.
2. This is a “core” proceeding pursuant to 28 U.S.C. §§ 157(b)(1) and 157(b)(2)(A).
3. IAP is a Missouri member-managed limited liability company engaged in the business of selling vehicle service agreements and/or extended service warranty plans to consumers in all states except Washington, Oregon and California and has three members holding an equal interest: Hagan, Sherry Nelson and Senn.

4. RAP is an Illinois member-managed limited liability company engaged in the business of selling vehicle service agreements and/or extended service warranty plans to consumers in California and has three members holding an equal interest: Hagan, Sherry Nelson and Senn.

5. GAP is a Missouri member-managed limited liability company engaged in the business of selling vehicle service agreements and/or extended service warranty plans to consumers in all states except Washington, Oregon and California and has three members holding an equal interest: Hagan, Michael Nelson and Senn.

6. On February 26, 2014, Hagan filed a derivative suit in the Circuit Court of St. Charles County, Missouri, Eleventh Judicial Circuit, Case No. 1411-CC00180, styled in the following manner: *Richard Hagan, individually and on behalf of Imperial Auto Protection, LLC, Royal Auto Protection, LLC and Gateway Auto Protection, LLC, Plaintiffs v. Michael Thomas Nelson, Sherry Lynn Nelson and Christopher Patrick Senn, Defendants* (“State Court Case”).

7. On April 17, 2014, IAP filed a Chapter 11 Voluntary Petition for Relief in the Bankruptcy Court, Case No. 14-43062-659 (the “IAP Bankruptcy Case”).

8. On April 17, 2014, RAP filed a Chapter 11 Voluntary Petition for Relief in the Bankruptcy Court, Case No. 14-43063-659 (the “RAP Bankruptcy Case”).

9. On April 18, 2014, attorneys for Sherry Nelson, Senn and Michael Nelson filed for Debtor IAP and Debtor RAP a Joint Notice of Removal of the State Court Case with the Clerk of the Bankruptcy Court which was assigned Adversary Proceeding No. 14-04075 in Debtor IAP’s case and Adversary Proceeding No. 14-04076 in Debtor RAP’s case.

10. The Debtors, GAP, Hagan, Sherry Nelson, Senn and Michael Nelson have entered

into a Compromise and Settlement Agreement to settle and resolve all pending issues between the parties in the IAP Bankruptcy Case, RAP Bankruptcy Case, Adversary Proceeding 14-04075, Adversary Proceeding 14-04076 and the State Court Case.

11. It is in the best interest of the bankruptcy estates and all parties concerned for the Court to authorize and approve the Compromise and Settlement Agreement.

12. The Compromise and Settlement Agreement represents a fully negotiated settlement as to all pending issues between the parties and will avoid the necessity of costly and time-consuming litigation in the IAP Bankruptcy Case, RAP Bankruptcy Case, Adversary Proceeding 14-04075, Adversary Proceeding 14-04076 and the State Court Case.

THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED that the Compromise and Settlement Agreement entered into between Debtors Imperial Auto Protection, LLC, Royal Auto Protection, LLC, Gateway Auto Protection, LLC, Richard Hagan, Sherry Lynn Nelson, Christopher Senn and Michael Thomas Nelson in the form attached as Exhibit "1" to the Motion to Approve Compromise and Settlement Agreement is **approved**.

Kathy A. Surratt - States
KATHY A. SURRETT-STATES
Chief United States Bankruptcy Judge

DATED: July 2, 2014

St. Louis, Missouri

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Order prepared by:

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